

RHODE ISLAND COMMERCE CORPORATION

MEETING OF INVESTMENT COMMITTEE

PUBLIC SESSION

The Investment Committee of the Rhode Island Commerce Corporation (the “Corporation”) met on January 21, 2016, in Public Session, beginning at 3:30 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Michael F. McNally, Chair, Bernard V. Buonanno III and Vanessa Toledo-Vickers.

Directors absent were: None.

Also present were: Secretary of Commerce Stefan Pryor, Darin Early, Wade Gibson, Jeremy Licht, Jesse Saglio, Luke Pickett and Thomas Carlotto.

1. CALL TO ORDER AND OPENING REMARKS

The Chair of the Committee called the meeting to order at 3:33 p.m. indicating that a quorum was present.

2. TO CONSIDER THE APPLICATION OF THE CITY OF PROVIDENCE FOR REIMBURSEMENT OF FOREGONE REVENUE UNDER THE TAX STABILIZATION INCENTIVE PROGRAM.

Mr. Saglio elaborated upon the Tax Stabilization Agreement ("TSA") entered into by the City of Providence related to the empty Fogarty Building and explained that the incentive program permits repayment to a municipality of up to ten percent (10%) of the tax revenue foregone by the municipality under a TSA. He explained how a TSA works and the benefits to a developer as well as how the incentive is calculated. Mr. Saglio then described the project to which the request related, the construction of an extended-stay hotel on the site of the old Fogarty Building on Fountain Street in Providence. He explained that the TSA meets the requirements of the program for a Hope Community, in particular the 12 year term and the \$5 million project cost threshold.

Ms. Toledo-Vickers noted that this program was that part of the package of incentives that encourages municipalities to bring business into the municipalities and is available to all cities and towns in the State.

Secretary Pryor explained that the incentive program requires that the incentive be a factor in the viability of the transaction and is a means to overcome the reluctance of a municipality to grant a TSA.

Mr. McNally emphasized that the recipient of the incentive was the City of Providence, and not the developer.

Mr. Pryor indicated that the City contacted the Corporation in advance of its deliberation of the ordinance and it was a very open and public process by which it was determined the incentive was a factor in the approval of the TSA by the City.

Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr. Buonanno, the following vote was adopted:

VOTED: To recommend for approval to the Board of the RI Commerce Corporation the application of the City of Providence for reimbursement of foregone revenue under the Tax Stabilization Incentive Program.

Voting in favor of the foregoing were: Michael F. McNally, Bernard V. Buonanno III and Vanessa Toledo-Vickers.

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Voting against the foregoing were: None.

3. TO CONSIDER THE APPLICATION OF BOURNE AVENUE CAPITAL PARTNERS FOR TAX CREDITS UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.

4. TO CONSIDER THE APPLICATION OF JOHN M. CORCORAN & CO. FOR TAX CREDITS UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.

Mr. Saglio described the development planned by the applicant as the location of the former Loutit Laundry at 93 Cranston Street in Providence, which will include 39 residential units and commercial retail space, including the potential for a grocery store, with a total project cost of approximately \$10 million.

Mr. Saglio next described the project at The Commons at Providence Station which is on a lot roughly adjacent to the train station in Providence, which is led by John M. Corcoran, & Co., having an anticipated projected cost of \$54 million.

Mr. Buonnano inquired relative to certain financial aspects of the projects.

Mr. McNally indicated that the detailed financial discussion of these projects would be better held in executive session and Mr. Saglio agreed.

Ms. Toledo-Vickers commented that as the committee approves

projects a review should be undertaken of the indicators of progress and now is the time to develop a tracking strategy.

Mr. Saglio indicated that this analysis is part of the reporting requirements in the review and evaluation principles previously approved for this program.

She also mentioned that there should be a review and connection to the extent practicable between the projects approved and the recommendations made by Brookings and others.

Secretary Pryor concurred and noted, in response to Ms. Toledo-Vickers earlier comments, that we need to absorb some of the messages of the reports that had been received, in particular that there is a need for more residential housing in the downtown area, and that this is critical to a vibrant community.

Mr. Buonanno noted that it was important to recognize that but for the incentives provided by these programs, these developments would not be happening, and further noted that these programs are not, per se, investments but do provide that if the projects are successful there will be financial returns to the state.

Ms. Toledo-Vickers echoed Mr. Buonnano's sentiments.

Upon motion duly made by Mr. Buonanno and seconded by Ms.

Toledo-Vickers, the following vote was adopted:

VOTED: To enter into Executive Session pursuant to Rhode Island General Law Section 42-46-5(a)(7) to consider the investment of public funds in relation to certain of the Corporation's economic development initiatives, namely, the Bourne Avenue Capital Partners and John M. Corcoran, & Co development projects.

Voting in favor of the foregoing were: Michael F. McNally, Bernard V. Buonanno III and Vanessa Toledo-Vickers.

Voting against the foregoing were: None.

Members of the Committee, staff and counsel entered into closed session at 3:50, p.m.

The public session reconvened at 4:23, p.m.

Upon motion made by Mr. Buonanno and seconded by Ms. Toledo-Vickers the following vote was adopted:

VOTED: That the minutes of the Executive session shall not be made available to the public, except as to the portions of such minutes as the Committee Members ratify and report in public session of this meeting

Voting in favor of the foregoing were: Michael F. McNally, Bernard V. Buonanno III and Vanessa Toledo-Vickers.

Voting against were: None

Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr. Buonanno, the following vote was adopted:

VOTED: To recommend for approval to the Board of the RI Commerce Corporation the Application of Bourne Avenue Capital Partners for tax credits under the Rebuild Rhode Island Tax Credit Program

Voting in favor of the foregoing were: Michael F. McNally, Bernard V. Buonanno III and Vanessa Toledo-Vickers.

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Voting against the foregoing were: None.

Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr. Buonanno, the following vote was adopted:

VOTED: To recommend for approval to the Board of the RI Commerce Corporation the application of John M. Corcoran & Co. for tax credits under the Rebuild Rhode Island Tax Credit Program.

Voting in favor of the foregoing were: Michael F. McNally, Bernard V. Buonanno III and Vanessa Toledo-Vickers.

Voting against the foregoing were: None.

Vote to Adjourn.

There being no further business in Public Session, the meeting of the Investment Committee was adjourned by unanimous consent at 4:30 p.m., upon motion made by Mr. McNally and seconded by Ms. Toledo-Vickers.

Thomas Carlotto, Secretary